

Message Text

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C O N F I D E N T I A L STATE 102309

GUATEMALA FOR AMBASSADORS YOUNG AND WELLS

E.O. 11652: GDS

TAGS: EGEN, UN, ECOSOC, EINV

SUBJECT: TRANSNATIONAL CORPORATIONS COMMISSION:
COLLABORATION IN SOUTHERN AFRICA

REF: (A) USUN 1341; (B) USUN 1355

1. WITH REFERENCE TO BAKER/POOLE TELECONS, WE WISH TO
ENCOURAGE US DELEGATION'S EFFORTS TO FIND A PROCEDURAL
AVENUE TO AVOID ACTION ON THE NIGERIAN DRAFT RESOLUTION
ON TNC ACTIVITIES IN SOUTHERN AFRICA, E.G., BY SIMPLY
INCORPORATING IN THE TNC COMMISSION'S REPORT TO THE ECOSOC
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SOME REFERENCE TO THE FACT THAT THE RESOLUTION WAS
TABLED AND DISCUSSED WITHOUT FINAL ACTION, OR, IF
NECESSARY AS A FALLBACK, BY REFERRING THE MATTER TO THE
ECOSOC FOR DECISION AS IN THE CASE OF OUR ILLICIT PAY-
MENTS PROPOSAL AT THE SECOND SESSION OF THE COMMISSION.
ARGUMENTS WHICH CAN BE MADE IN FAVOR OF A PROCEDURAL OUT-
COME OF THIS KIND WOULD INCLUDE: (1) SO FAR THE TNC

COMMISSION HAS OPERATED BY CONSENSUS (RECORDED IN ITS REPORTS) AND HAS AVOIDED RESORTING TO FORMAL RESOLUTIONS AND VOTES; THE LATTER IN OUR VIEW WOULD SET AN UNDESIRABLE PRECEDENT FOR SUCH ACTIVITIES AS THE NEGOTIATIONS ON A

CODE OF CONDUCT. (2) WE QUESTION THE APPROPRIATENESS OF THE COMMISSION, A SUBORDINATE BODY OF ECOSOC, ADOPTING A RESOLUTION CALLING DIRECTLY ON GOVERNMENTS TO TAKE CERTAIN ACTIONS.

2. IF, DESPITE DELEGATION'S EFFORTS, THIS RESOLUTION DOES COME TO A VOTE, DELEGATION SHOULD VOTE "NO" WITH AN EXPLANATION OF VOTE.

3. POINTS YOU MAY DRAW ON FOLLOW:

(A) WE SYMPATHIZE WITH THE DESIRES OF THE SPONSORS OF THIS RESOLUTION TO CONTRIBUTE TOWARD AN END TO THE PRACTICE OF RACIAL DISCRIMINATION AND APARTHEID IN SOUTHERN AFRICA. FOR EXAMPLE, THE US GOVERNMENT HAS REPEATEDLY INDICATED TO THE GOVERNMENT OF SOUTH AFRICA ITS STRONG DISAPPROVAL OF APARTHEID AND HAS URGED AN END TO THAT SYSTEM. MOREOVER, AS IS WELL-KNOWN, WE ARE ACTIVELY ENGAGED IN NEGOTIATIONS TO BRING ABOUT MAJORITY RULE IN SOUTHERN RHODESIA AND NAMIBIA. WE DO NOT THINK, HOWEVER, THAT THIS RESOLUTION MAKES A CONSTRUCTIVE CONTRIBUTION TO THOSE OBJECTIVES.

(B) THE BLANKET INDICTMENT OF ALL TNC'S OPERATING IN
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SOUTHERN AFRICA IS INAPPROPRIATE WHEN A NUMBER OF THESE ARE INDEED ATTEMPTING TO IMPROVE THE WAGES AND WORKING CONDITIONS OF THEIR BLACK, COLORED AND ASIAN EMPLOYEES. SUCH ENLIGHTENED LABOR PRACTICES CAN PLAY A POSITIVE ROLE IN IMPROVING THE LIVING STANDARDS OF THOSE EMPLOYEES AND CAN CONTRIBUTE TOWARD CHANGE IN EXISTING SOCIAL SYSTEMS. MOREOVER, WE QUESTION THE CHARGE OF "COLLABORATION" WHEN THERE IS NO DEFINITION OF WHAT IS MEANT.

(C) THE REPORT OF THE CENTER ON TNC'S (E/C.10/26), REFERRED TO IN THE DRAFT RESOLUTION, STATES: "SOME CORPORATIONS AT VARIOUS TIMES HAVE DECIDED TO INTRODUCE HIRING OR WAGE LEVEL PRACTICES FAIRER THAN THOSE IN EFFECT ELSEWHERE IN SOUTH AFRICA. MOST RECENTLY, 12 OF THE LARGEST UNITED STATES TRANSNATIONAL CORPORATIONS REPRESENTING MORE THAN HALF OF UNITED STATES INVESTMENT IN SOUTH AFRICA, ANNOUNCED A COMMON AGREEMENT TO SUPPORT A SET OF SIX PRINCIPLES 'TO PROMOTE FAIR EMPLOY-

MENT PRACTICES' IN THEIR PLANTS AND OTHER FACILITIES IN SOUTH AFRICA. THESE PRINCIPLES REFER TO NON-SEGREGATION OF RACES IN WORK AND OTHER FACILITIES, EQUAL PAY FOR

EQUAL OR COMPARABLE WORK, DEVELOPMENT OF TRAINING PROGRAMMES TO PREPARE BLACKS AND OTHER NON-WHITES FOR SUPERVISORY, ADMINISTRATIVE, CLERICAL AND TECHNICAL JOBS, INCREASE THE NUMBER OF BLACKS IN SUPERVISORY AND MANAGEMENT POSITIONS AND IMPROVEMENT IN THE QUALITY OF THE EMPLOYEES' LIVES OUTSIDE THE WORK ENVIRONMENT."

(D) THE USG CONTINUES TO MAKE EVERY EFFORT TO ASSURE FULL COMPLIANCE BY US ENTITIES WITH THE UN SANCTIONS AGAINST SOUTHERN RHODESIA, AS DEMONSTRATED BY THE RECENT REPEAL OF THE BYRD AMENDMENT AND BY USG PROHIBITION OF ANY NEW INVESTMENT IN SOUTHERN RHODESIA. MOREOVER, THE USG DISCOURAGES NEW INVESTMENT IN NAMIBIA, AND HAS IN-CONFIDENTIAL

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FORMED POTENTIAL INVESTORS THAT, IN THE CASE OF INVESTMENTS MADE ON THE BASIS OF RIGHTS ACQUIRED FROM SOUTH AFRICA AFTER THE UN TERMINATION OF THE MANDATE IN 1966, THE USG WOULD NOT PROTECT INVESTMENTS AGAINST CLAIMS OF A FUTURE LAWFUL GOVERNMENT IN NAMIBIA. THE USG NEITHER ENCOURAGES NOR DISCOURAGES US INVESTMENT IN SOUTH AFRICA ITSELF, BUT INFORMS POTENTIAL INVESTORS OF THE POLITICAL, ECONOMIC AND SOCIAL CONDITIONS IN THE COUNTRY. THE USG CONTINUES TO URGE US FIRMS OPERATING IN SOUTH AFRICA TO INSTITUTE, MAINTAIN AND EXPAND ENLIGHTENED EMPLOYMENT PRACTICES TOWARD THEIR BLACK, COLORED AND ASIAN EMPLOYEES, INCLUDING IMPROVEMENTS IN WAGES, WORKING CONDITIONS, FRINGE BENEFITS AND ADVANCEMENT OPPORTUNITIES, AND TO DEAL WITH THE LEGITIMATE REPRESENTATIVES OF THOSE WORKERS, INCLUDING THEIR UNIONS.

(E) THE USG BELIEVES THAT THE TNC COMMISSION IS OVERSTEPPING ITS MANDATE IN THE ACTION CALLED FOR IN THIS RESOLUTION. MOREOVER, THE COMMISSION IS ASKING THE TNC CENTER, IN TURN, TO OVERSTEP ITS MANDATE IN SOLICITING INFORMATION DIRECTLY FROM TNC'S FOR THE PURPOSE OF INVESTIGATING AND JUDGING SPECIFIC ACTIONS OF INDIVIDUAL FIRMS.

CHRISTOPHER

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